



Laying Your Foundations For Sustained Business Growth

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Introduction

Forget everything that you thought you knew about business. Lets face it, if everything you had been doing so far had been working, you wouldn't be reading this right now.

When trying to increase your business and your overall success there is one factor that is always important - You can't build your business on shaky ground.

You need to strip back your business and get back to basics - start laying some foundations.

Welcome to the 'Laying your foundations for sustained business growth' ebook - Prepare to have your salon transformed!

The Journey:

Prepare - As with any journey, the first thing you need to do is prepare. You need to look at yourself, your staff and your salon.

Plan your route - You will also need to plan the route you are going to take. You need to make sure you know what you want from your business. Once you know this you will be able to research and create strategies to make sure you achieve your goals.

Take your first step - everything you learn on this course will need to be implemented into your salon. This will be your first step.

Stay focused on your destination - You need to make sure you stay focused on your goals. You need to put a system in place that will ensure that you implement your strategies. If you know the direction that you are meant to be going, you will arrive at your goals.

Planning Your Journey

The first thing you need to do before making any changes is take a good hard look at yourself and how you run your salon.

Know what you want - make sure you are specific with your goals. Write them down and set a time frame. For example - 'This time next year I will have two extra stylists, fully booked, working in my salon.'

Question Yourself - Ask yourself why you're not currently running a successful business and make sure you give honest answers:

Do you run your salon by fear? Do you want to be the **number one** salon in your city? Sometimes it's hard to actually say your goals out loud. **Don't** fear admitting what you want.

You might worry what people will think about your goals - who cares! If you know what your goals are for your salon, don't be afraid to let people know.

Think about what is holding you back: Do you feel guilty about working too much and not seeing your family? You need to decide what sacrifices you are willing to make to achieve your goal.

Don't let your fears run your business. You might worry about what people will think if you fail - You simply can't think like that! You have to believe that if you set your mind to achieve something, you **will** be successful.

Are you an action taker or procrastinator? Ask yourself whether you take actions or hesitate - Do you think 'well maybe I should hire this stylist, but I might wait till...' Or do you have confidence in your decisions - be honest.

Stop focusing on problems and start finding solutions - Are you someone who constantly worries about their problems in the salon and moans about them rather than takes action? You need to start being decisive and focus on finding solutions.

Self belief is key - It's simple: If you don't believe that something will happen, it won't. You need to have belief in yourself and the actions you take. Think about this statement:

'If you believe you can or can't do it you are right.'

If you believe that you can make your salon successful you can do it. If you believe that you won't be a success then you will fail - self belief is key!

Once you get used to taking action and having confidence in your decisions it will become second nature to you.

If you try 10 new techniques in your salon and 5 fail - so what? You take the 5 that were successful and move on.

So make sure you:

- Know what you want
- Start to build and create what you want in your minds eye first
- Believe you will achieve it
- Find out what's been holding you back
- Find out your flaws as a manager
- Be prepared to make the changes needed for your salon transformation
- Remember - 'If you keep doing what you've always done, you'll keep getting the same results.' If you don't change what's happening in your salon right now then why would the results change?

Preparing Your Team

Once you've spent some time focusing on yourself you need to move on and focus on your team. You need to prepare them for the upcoming changes, especially if you've had staff who have worked with you for years.

How do you feel about your team? Are their members of your staff controlling your salon? Maybe your scared to say anything because you're worried they might leave? Think about your staff members - who are the good ones? Who are the ones who need some work? And who are the ones you might have to let go?

Call a team meeting - Get your team together and tell them about the changes that are coming. Tell them that you want them to be a big part of it. It might not be easy to say out loud but tell them 'I want our salon to be the number one in the city, I want us to win awards and I want you to be the best paid stylists in the city.' Look at your teams reaction - who looks enthusiastic and excited about the changes and who looks bored and uninterested. The meeting might tell you a lot about your staff.

Reassure your staff - Some staff members might look scared because many people don't like change. Reassure them that there will be great rewards for those that are 100% with you on the journey (not 100% behind you) - you want your staff to work alongside you and with you to help you achieve your goals. Make them feel part of the team and part of the salon - this also helps build a feeling of loyalty. Don't try and do everything yourself - delegate responsibilities to your staff.

Set up one-to-ones with your staff - You need to find out what they want. Do they want education, more money, a promotion? Everyone has their different strengths and are motivated by different things. Find out what drives each of your staff members and reassure them that you are going to make sure they get what they want.

Be prepared to release friendships with staff - It's ok to be friendly with your staff and to go to work events with them but don't go past that stage and actually become friends. Everyone wants to be the perfect boss who's friends with all their staff but, I can tell you now, it's impossible. If you have a friendship with your staff it becomes very hard to approach them about work matters and pull them up if they've made a mistake. You need to keep the line between you being the boss and them being your staff - they need to know where they stand and you need to keep the respect there.

Learn to trust your instincts - You may be reading this and thinking, 'Yes, I know this staff member is not pulling their weight' and 'yes, I know I need to pull them up on this' - trust your instincts. It may be hard to let people go but you know deep down whether they are good for your salon. You will feel a huge sense of relief when you start to sort out your problems (disciplining/releasing staff) and you will enjoy coming into work again.

Self belief exercise for staff - This is an exercise that you can do on your own and with your staff: Stand up with your feet shoulder-width apart. Lift your arms up so you look like a cross and keep your feet on the floor. Now start to turn around with your

waist so you are looking behind you. Once you get to as far as your body will allow you to go - mark the spot your arm reached to.

Now repeat the exercise again but this time try and get further than the spot you reached the first time. You should find that you can turn further than you managed on the first try. This is a great exercise to show that when you think you've reached as far as you can, if you set a target, you can always reach further.

Systems exercise for staff - Another exercise you can try is to blindfold all your staff and take them to McDonalds. Once you arrive, take off their blindfolds, order some food and ask your staff to look around to see who is running one of the biggest businesses in the world. They will see that it is all run by systems. Most McDonalds are run by teenagers. How is one of the biggest businesses in the world so successful when it is run by teenagers? - because it all depends on systems.

Your staff will then realise that if teenagers can do it then it can definitely be done in your salon. McDonalds staff know that the burgers have to be cooked for a certain amount of time, an order has to be ready in a certain amount of time - It all runs by systems and the same can happen in your salon. The exercise is also a bit of fun and is something a bit different.

Team appraisal exercise for staff - Think about carrying out a team appraisal around twice a year: Ask each member of your staff to write down one positive thing about their team mates. Make sure you get your staff to also include you in the list. Now go around the room and ask each staff member to read out their list.

It's a great way of getting your staff to praise each other. You may have two members of staff who don't get on but this exercise forces them to think about at least one positive attribute they both have.

Next ask your staff to list one area where each team member could improve on. Because your staff members will be feeling so positive about the praise they have just received they will be more open to take on the advice about how they could improve their work.

It's a brilliant exercise to try and it really does work. You'll also learn a lot about yourself as well as your staff.

Preparing Your Salon Business

Research - It may not be the most interesting part of your job but it's important to do your research:

- What's the population of your target market? - is it just your town or city or are there a number of cities in your area that you could target?
- How many salons are in your area and what's the average cost of their services? You may need to do some research by phoning around or having a look on websites - are you above or below the average cost?
- Is there a niche market to be had? How many salons offer hair extensions, wedding hair on location, Brazilian blowouts... etc? Can you capitalise on a market that is not available in your area yet?
- Know your numbers - How much will you charge for your average bill? What will be your break even, your re-booking rate, your new client rate? How much time does each staff member take per client? What percentage of colours do you do? What's the life time value of each client? You need to consider all of the above and make sure you know your numbers.
- You can ask your bank manager/accountant to create a profit and loss spreadsheet for your salon. This will give you a clearer idea of the finances in your business.
- What are your expenses and break even? How much does it cost you to pay all the bills? You need to know this to find out how much you need to pay before you make a profit.
- Know in which areas money needs to be saved. You should be able to find this on your profit and loss spreadsheet. Maybe your spending a lot on stock and advertising - think about how you could reduce the costs. It all adds up - saving just £5 here and £10 there adds up to a big saving over the year.

Why Numbers Are Essential

For example:

Lets say your target is £300,000 per year and you have 7 stations and 3 full time stylists.

- 300,000 divided by 52 weeks = £5,769 per week
- Divided by 3 = £1,923 per stylist, per week

Think about whether this is a realistic target? Maybe you need another stylist to reduce the workload:

- 4 stylists = £1,442 per stylist, per week
- 5 stylists = £1,153 per stylist, per week

Another example:

Lets say your current stylist is bringing in £1,000 per week and you want them to bring in £1,280 per week:

- Work out how many more clients they need to make up the £280
- 280 divided by average bill of £35 = 8 more clients per week, or 1-2 more clients per day. You can then tell your stylist that in order to reach their targets and have a pay rise they need to bring in 1-2 more clients per day.

Example 3:

If you are servicing 3000 clients per year at an average bill of £35 = £105,000 annual turnover.

In order to increase this to £300,000 you need an extra £195,000 divided by average bill = 5,571 more clients per year.

If the population of your area is 50,000 with 50 salons = 1,000 clients per salon.

1,000 clients = 2% of the population

5,571 + 3,000 = 8,571 clients = 17.5% of the population

Is this a realistic target for your salon? This is why it is so important to gather all the information and data for your salon and work out your own realistic targets.

Your Salon

Look through the eyes of your clients - Try walking into your salon and looking at it from your customers viewpoint - Is there dirt under the reception desk, are the toilets clean, does the coffee taste good?

Create a list of improvements that need to be made - Do you need to buy new towels? Do the walls need painting? Is there clutter around the salon?

Ask your clients - When you're working at the salon every day you often miss the things that need improving - ask your clients what they think could improve the salon. Create a questionnaire for your clients to fill out. Make it anonymous - You want them to be as honest as possible.

Ask your clients to grade you on: Cleanliness, style, comfort, decor, customer care, staff appearance, quality of refreshments, quality of service...etc.

Ask your clients if they're on Facebook, Twitter..etc - You may find out that a number of your clients are on Twitter and it could be worth you building a Twitter status for your salon.

Value for money - Ask your clients whether they think they get value for money when they visit the salon and whether anything could be improved?

So remember:

- **Prepare you**
- **Prepare your staff**
- **Prepare your salon**

Today's Cash Making Strategy

When did you last raise your prices? If you haven't raised your prices in the last year I would suggest increasing them between 10-15%. Some salons haven't raised their prices for years for fear of scaring away clients but if you under-charge your clients it can make them think - 'Oh the services must not be very good.' The highest charging salons are often considered to be the best.

You may initially lose between 3-5% of your client base - these are the clients that shop on price alone and not value. If you know that you offer a good service than the clients who have been with you for years will not leave you because you've increased your prices.

The price increase will cover the 3-5% who leave and I will help you discover how to attract new clients to your salon over the coming weeks.

Introduce a tier system - As salon director, you should be charging more for your services than your stylists. This also gives your clients more choice - if they can't afford your services than they can book in with one of your stylists who charge a slightly lower rate. You need to realise that most of your clients are happy with your service and they aren't going to disappear because you slightly increase your prices.

Charge what you are worth and be proud - If you feel you are under-charging your clients then put your prices up! If you feel it may be too big an increase all at once, then increase your prices over two 6 month periods.

Offer a limited extra value with the price rise - You can soften the blow of the increase by offering a free treatment for a limited time after the prices go up.

Don't make a fuss - Just implement the price increase - don't put signs up telling people there will be a price rise. Just do it!

Start to gather your client's details - This is **GOLD**. Try to get their email addresses and their mobile numbers.

Spend at least 20 minutes per day doing your targeted friend requests on Facebook (See How To Market Your Salon Using Facebook Course for more info).

Final Thoughts

Knowledge gained without implementation is worthless - You will have learned a lot from reading through this course but if you don't take action and implement the ideas, it's a waste of time.

Be prepared to work on your business not in it - Make sure you're not always just in the salon as a glorified employee. In fact, you probably wouldn't treat your employees the way you treat yourself e.g. long hours, working weekends etc.

The reason you started your business was for more cash, better quality of life, more holidays...etc. You need to start to take time away from working **in** your business, to work **on** your business.

Remember: Your job description is salon marketer not hairdresser - You no longer need to spend all your time as a hairdresser. Put your energy into marketing your salon. Let your younger stylists take on some responsibility in the salon and blossom.

How do you get to this point? It's all down to systems. **A system is a set of procedures that result in a predictable outcome.**

Once you have a system in place in your salon you will be able to take a step back from the hairdressing and concentrate on the marketing side of things.

Your Questions Answered

Q - We're thinking of putting our prices up by around £6 for clients who have a colour. I think we do a great job that justifies the price but the increase will put our prices considerably higher than other salons in the village. Is this the right thing to do or not? I feel our prices are quite low at the minute.

A - It's good that you're confident in the service that you provide. You need to have a look at your percentage - I would recommend that you put your prices up between 10-15%. If you feel that the increase might be too much all at once then you could consider increasing the price in stages. But if you feel that your prices are too low at the minute - trust your instincts. Your clients will probably agree that your prices are low for the service you provide. You can also offer a limited time incentive to soften the blow - perhaps a free colour or shampoo?

Q - How do you arrange meetings with staff if they all work different hours? Do you pay them to come in?

A - I have the same problem at my salon. I get around it with a 'time-back' book. If one of my staff members has to come in for a 2 hour meeting on their day off then I give them 2 hours off later in the week or in the month. This means you keep your wages bill the same and you just give your staff some time-back at a later date.

Notes